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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/668,255	09/21/2000	Michael H. Evelyn	13085-02001	1374

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EXAMINER

COLBERT, ELLA

ART UNIT PAPER NUMBER

3624

DATE MAILED: 10/18/2005

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary

Application No.

09/668,255

Applicant(s)

EVELYN ET AL.

Examiner

Ella Colbert

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 28 July 2005.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-19 and 34-62 is/are pending in the application.
- 4a) Of the above claim(s) 20-33 and 63-74 is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-19 and 34-62 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
 - ☐ Certified copies of the priority documents have been received in Application No. _____.
 - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|---|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413)
Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | 5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152) |
| 3) <input checked="" type="checkbox"/> Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)
Paper No(s)/Mail Date <u>03/21/05</u> . | 6) <input type="checkbox"/> Other: _____ |

DETAILED ACTION

1. Claims 1-19 and 34-62 are pending in this communication filed 07/28/05 entered as Response After Non-Final Action. Claims 20-33 and 63-74 have been previously withdrawn in response to a Restriction requirement.
2. The IDS filed 03/21/05 has been considered.

Claim Rejections - 35 USC § 112

3. The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

4. Claims 1, 15, and 34 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention. Claim 1, lines 3-6 are very confusing and unclear as written. Claim 1 recites "providing a bid mechanism for receiving ... when received, is within a protected range of the public price, wherein the private price represents a price that has an equal or greater likelihood of the competitive bid being allocated securities than the likelihood of the competitive bid being allocated securities based on the public price". Claim 15 and 34 have a similar problem.

Claim Rejections - 35 USC § 103

5. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

6. Claims 1-19 and 34-62 are rejected under 35 U.S.C. 103(a) as being unpatentable over (US 6,058,379) Odom et al , hereafter Odom in view of (US 6,629,082) Hambrecht et al, hereafter Hambrecht.

Claims 1, 15, and 34: Odom teaches, a computer implemented method, corresponding apparatus, and computer program product for conducting an auction of securities on the Web, comprising the steps of: providing a bid mechanism for receiving a competitive bid having a desired quantity of securities, a public price that is visible to all auction participants, and a private price that is not visible to auction participants other than at most a bidder who submitted the competitive bid and, when received, is within a protected range of the public price, wherein the private price represents a price that has an equal or greater likelihood of the competitive bid being allocated securities that the likelihood of the competitive bid being allocated securities based on the public price and the protected range is associated with the online auction (col. 10, lines 49-59) and providing a system whereby all participants can monitor the auction in real time (col. 10, lines 38-49). Odom failed to teach providing an allocation of the securities which allows winning bidders to pay a single market-clearing price that sells out the securities.

Hambrecht teaches, providing an allocation of the securities which allows winning bidders to pay a single market-clearing price that sells out the securities (col. 14, line 30 –col. 15, line 55. It would have been obvious to one having ordinary skill in the art at the time the invention was made to providing an allocation of the securities which allows winning bidders to pay a single market-clearing price that sells out the securities and to

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modify in Odom because such a modification would allow Odom to have the capability to close a deal and to arrive at a clearing price.

Claims 2, 16, and 47: Odom teaches, the method of claim 1, corresponding apparatus and server node wherein the securities comprise equity or debt securities (col. 10, line 49).

Claims 3, 17, and 48: Odom teaches, the method of claim 1, corresponding apparatus and server node wherein the securities comprise commodities (col. 10, line 49).

Claims 4, 18, and 49: Odom teaches, the method of claim 3, corresponding apparatus and server node wherein the commodities comprise gold, silver or other commodities traded on a licensed commodity exchange (col. 10, line 49).

Claims 5, 19, and 50: Odom failed to teach, wherein the bid mechanism comprises an open Dutch auction process. Hambrecht teaches, the bid mechanism comprises an open Dutch auction process (col. 31, line 31-col. 33, line 60 and fig. 14). It would have been obvious to one having ordinary skill in the art at the time the invention was made to have the bid mechanism comprise an open Dutch auction process and to modify in Odom because such a modification would allow Odom to have the price of an item gradually lowered until it meets a responsive bid and is sold as expressly defined on page 207 (Dictionary of Business Terms-Third Edition).

Claim 6: Odom teaches, wherein the bid mechanism, further comprises entering a competitive bid having a desired quantity of securities, a public price and a private price (col. 10, lines 61-64).

Claim 7: Odom teaches wherein each of the public spreads and a private spread are stated as terms of one basis point increments (col. 8, lines 3-16).

Claim 8: Odom teaches, wherein the public spread is revealed to other bidders over the web, but an identity of the bidder associated with the public spread remains anonymous (that is, not disclosed by the openbook system) (col. 12, lines 36-45).

Claim 9: Odom teaches, wherein the private spread may not be less than the public spread by more (col. 8, lines 3- 16).

Claim 10: Odom teaches wherein the private spread is not revealed to other bidders until after the auction ends (designated the "small bid") (col. 7, line 62-col. 8, line 65 and fig. 5).

Claim 11: Odom teaches wherein the private spread component is not part of a firm offer (the "initial bid") by a bidder at the time of auction close (col. 7, lines 3-27 and fig. 5).

Claim 12: Odom teaches wherein the bidder may enter a non-competitive bid in addition to or in place of a competitive bid (designated a "non-competitive" bid) wherein the non-competitive bid includes a desired quantity of securities and a spread equal to a designated minimum spread over a benchmark treasury security (col. 8, line 47-col. 9, line 56, col. 10, lines 29 and figs. 5 and 8).

Claim 13: Odom teaches wherein each of a new competitive bids or a new non-competitive bid is marked with a time stamp at a time when a confirmation of the new competitive bid is received (col. 6, lines 45-58 and figs. 5 and 8).

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Claims 35 and 51. Odom failed to teach a public price comprises a public price expressed in currency; and a private price comprises a private price expressed in currency. Hambrecht teaches, a public price comprises a public price expressed in currency; and a private price comprises a private price expressed in currency (col. 32, lines 35-59). It would have been obvious to one having ordinary skill in the art at the time the invention was made to have a public price comprise a public price expressed in currency; and a private price comprises a private price expressed in currency and to modify in Odom in view of his teachings of a commodities exchange and bidding over the Internet and because such a modification would allow the purchaser to be notified of the "best bid" for the currency.

Claims 36 and 52. Odom failed to teach, wherein the private price is equal to or higher than the public price. Hambrecht teaches, wherein the private price is equal to or higher than the public price (col. 32, lines 15-34). It would have been obvious to one having ordinary skill in the art at the time the invention was made to have the private price is equal to or higher than the public price and to modify in Odom because such a modification would allow Odom to have the public offering price to be the price per share or clearing price that equals the highest price set forth.

Claims 37 and 53. Odom failed to teach, wherein a public price comprises a public price expressed in a public spread that represents the difference between an interest rate that the bidder is willing to accept on the securities being auctioned and an interest rate associated with a selected benchmark treasury security; and a private price comprises a private price expressed in a private spread that represents the difference between an

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interest rate that the bidder is willing to accept on the securities being auctioned and an interest rate associated with the selected benchmark treasury security. Hambrecht teaches, wherein a public price comprises a public price expressed in a public spread that represents the difference between an interest rate that the bidder is willing to accept on the securities being auctioned and an interest rate associated with a selected benchmark treasury security; and a private price comprises a private price expressed in a private spread that represents the difference between an interest rate that the bidder is willing to accept on the securities being auctioned and an interest rate associated with the selected benchmark treasury security (col. 31, line 37-col. 32, line 14). It would have been obvious to one having ordinary skill in the art at the time the invention was made to have a public price comprises a public price expressed in a public spread that represents the difference between an interest rate that the bidder is willing to accept on the securities being auctioned and an interest rate associated with a selected benchmark treasury security; and a private price comprises a private price expressed in a private spread that represents the difference between an interest rate that the bidder is willing to accept on the securities being auctioned and an interest rate associated with the selected benchmark treasury security and to modify in Odom because such a modification would allow Odom to distribute the offered shares of public offerings of securities based on the results of an auction.

Claims 38 and 54. Odom teaches, wherein the private price comprises a private spread that is equal to or lower than the public spread (col. 13, lines 16-25).

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Claims 39 and 55. Odom teaches, an identity of a bidder that entered a particular competitive bid is not revealed in association with the public price of the particular competitive bid (col. 5, lines 1-45).

Claims 40 and 56. Odom failed to teach, associating with a particular competitive bid a time stamp that is representative of a date and a time at which the particular competitive bid is received, and using the time stamp in the allocation of securities. Hambrecht teaches, associating with a particular competitive bid a time stamp that is representative of a date and a time at which the particular competitive bid is received, and using the time stamp in the allocation of securities (col. 19, lines 57-67). It would have been obvious to one having ordinary skill in the art at the time the invention was made to associating with a particular competitive bid a time stamp that is representative of a date and a time at which the particular competitive bid is received, and using the time stamp in the allocation of securities. Hambrecht teaches, associate with a particular competitive bid a time stamp that is representative of a date and a time at which the particular competitive bid is received, and using the time stamp in the allocation of securities and to modify in Odom because such a modification would allow Odom to have a time and date with a session that would not exceed the timestamp by a specified time out.

Claims 41-42 and 57-58 are rejected for the similar rationale as given above for claim 40.

Claims 43 and 59. Odom and Hembrecht failed to teach, wherein the debt securities comprise one of corporate bonds, municipal bonds, mortgage-backed bonds, emerging

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market bonds, and junk bonds. However, bonds are known in the securities market as a debt instrument regardless of the type of bond. It would have been obvious to one having ordinary skill in the art at the time the invention was made to have the debt securities comprise one of corporate bonds, municipal bonds, mortgage-backed bonds, emerging market bonds, and junk bonds and to modify in Odom because such a modification would allow Odom to have debt instruments traded on the major exchanges with the prices being published in newspapers.

Claims 44 and 60. Odom and Hembrecht failed to teach, wherein the securities comprise money market instruments. Money market instruments by definition are short-term debt instruments. It would have been obvious to one having ordinary skill in the art at the time the invention was made to have the securities comprise money market instruments and to modify in Odom because such a modification would allow Odom to have some debt instruments that are traded on major exchanges and some short term debt instruments that are negotiable certificates of deposit.

Claims 45 and 61. Odom and Hembrecht failed to teach, wherein the money market instruments comprise one of United States treasury bills, bank certificates of deposit, commercial paper and repurchase agreements. However it is well known in the art of money market instruments for the instruments to comprise United States treasury bills, bank certificates of deposit, commercial paper and repurchase agreements. It would have been obvious to one having ordinary skill in the art at the time the invention was made to have the securities comprise money market instruments and to modify in Odom because such a modification would allow Odom to have some debt instruments that are

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traded on major exchanges and some short term debt instruments that are negotiable certificates of deposit.

Claims 46 and 62. this dependent claim is rejected for the similar rationale as given above for claims 1, 15, and 34.

Conclusion

7. The prior art made of record and not relied upon is considered pertinent to applicant's disclosure.

Fraser et al (US 5,905,974) disclosed an auction-based trading system.

McFee et al (US 6,718,312) disclosed combinatorial auctions with bid restrictions

Sanholm (US 6,272,473) disclosed optimal anytime winner determination in combinatorial auctions.

Cramton, Peter disclosed Ascending Auctions.

Inquiries

8. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Ella Colbert whose telephone number is 571-272-6741. The examiner can normally be reached on Tuesday-Thursday, 6:30AM-4:00PM.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Vincent Millin can be reached on 571-272-6747. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

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Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).



E. Colbert
Primary Examiner
October 16, 2005